

This Indenture, made by and between RICHARD D. CHANDLER, JR. and wife, MARSHA G. CHANDLER

party of the first part; Mattie Little, 1450 East Brooks Rd., Memphis, TN party of the second part, as Trustee; and Smith & Nephew Employees Credit Union, 1450 East Brooks Road, Memphis, TN 38116

party of the third part, WITNESSETH:

That, for and in consideration of One Dollar cash in hand paid, the receipt of which is hereby acknowledged, and for the purpose of securing the payment of the indebtedness hereinafter described, the party of the first part does hereby convey and warrant unto the party of the second part, as Trustee, and his successors in trust, the following described real estate situated in the County of DeSoto and State of Mississippi, to-wit:

STATE MS.-DESO TO CO. FILED

FOR LEGAL DESCRIPTION, SEE EXHIBIT "A".

SEP 9 10 34 AM '03

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CLERK CH. CLK.

TRANSFER OF THE PROPERTY: If all or any part of the property or an interest therein is sold or transferred by Borrower, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) the creation of a purchase money security interest for household appliances; (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant, Lender may at Lender's option, declare all the sums secured by this Deed of Trust to be immediately due and payable.

This conveyance is made in trust, however, to secure the payment of \$ 75,000.00, evidenced by the following promissory notes of even date herewith:

One promissory note of even date herewith made by the parties of the first part herein; payable to the order of Smith & Nephew Employees Credit Union, together with interest thereon at the rate of 6.9 percent per annum from date hereof until maturity, payable in 144 monthly installments at \$767.57, beginning on the 30th day of September, 2003, and a like amount on the last day of each and every month thereafter until paid in full. The privilege is reserved and given to make additional payments on the principal balance on the due date of any installments prior to maturity without penalty.

and any further sums which the party of the third part, or any holder or holders of the notes hereby secured may advance to take care of taxes, insurance, or prior encumbrances on the above described real estate, or any part thereof.

The party of the first part agrees to keep all of the taxes and special assessments on the above described land paid, and if he fails so to do, the holder or holders of the above described notes may pay said taxes and assessments and the amounts so paid, with interest at the rate of eight per cent per annum from date of payment to date of reimbursement, shall become a part of the indebtedness security hereby.

The party of the first part agrees to keep the improvements on said property in a good state of repair, and to insure the same against loss by fire and tornado in some responsible insurance company approved by the party of the third part, or his assigns, for the insurable value thereof, with a regulation mortgagee's subrogation clause attached to each policy making said insurance payable in case of loss to the party of the third part as his interest may appear, and to deliver the policy or policies and renewal receipts therefor to said party of the third part. In case of the failure of the party of the first part to keep said buildings so insured, the party of the third part, or his assigns, may effect such insurance and the amount so paid, with interest at the rate of eight per cent per annum from date of payment to date of reimbursement, shall become a part of the indebtedness secured hereby.

NOW, THEREFORE, if the party of the first part shall pay all of the indebtedness secured hereby this conveyance shall be null and void and shall be released at his expense, but if said party of the first part shall fail to pay said notes, or any of them, or any part thereof, or the interest thereon, when due, or shall fail to pay the taxes and special assessments on said property prior to the date of sale thereof for delinquent taxes, or shall fail to pay all items due on account of insurance as provided herein, then all of the indebtedness secured hereby shall, at the option of the holder or holders of said notes, become due and payable, and the party of the first part hereby authorizes and fully empowers said trustee, or any successor in trust, upon any such default to proceed to sell the property hereinabove described to pay the amount then due hereunder. The sale of said real estate shall be made at the front door of any Court House in the County where any of said real estate is situated at the time of the sale, within legal hours, at public outcry to the highest bidder for cash, after the acting trustee has given notice of the time, place and terms of said sale according to the laws of the State of Mississippi governing sales of lands under trust deeds in force at the time the publication of said notice is begun. The acting trustee may sell said property without taking possession of the same, and is authorized to appoint an agent and auctioneer to make such sale in his absence, which sale shall be as valid as if made by said trustee.

From the proceeds of said sale the acting trustee shall first pay the cost of executing this trust, including a reasonable fee for himself and his attorney; then he shall pay any sums advanced by the party of the third part on account of taxes or insurance on said property; then he shall pay any balance of principal and interest which shall be due on the indebtedness secured hereby; and if any balance then remains in his hands he shall pay the same to the party of the first part, his heirs or assigns.

The party of the third part, or any holder of the above described notes, may at any time appoint another Trustee in the place and stead of the party of the second part, or any successor or successors in trust.

If more than one person joins in this instrument as party of the first part, it is agreed that whenever the words "party of the first part" occur they are to read as if written "parties of the first part."

Witness the signature of the party of the first part, on this the 2nd day of September, 2003, xxx

Richard D. Chandler, Jr.

Marsha G. Chandler

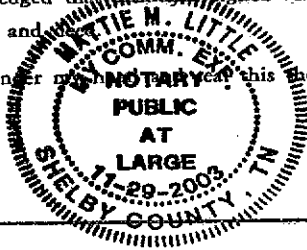
STATE OF TENNESSEE
COUNTY OF SHELBY } ss.

Personally appeared before me, the undersigned Notary Public, in and for the State and County aforesaid, the within named

Richard D. Chandler, Jr. and Marsha G. Chandler

who acknowledged that they signed and delivered the foregoing trust deed on the day and year therein mentioned as their
voluntary act and

Given under my hand and seal this 2nd day of September, 2003 xxxxxx



[Signature]
11-29-2003
Notary Public.

ADDRESS OF PROPERTY:

2563 Baldwin Road
Hernando, MS 38632



Divisional Offices
100 North Main Building
P.O. Box 3073
Memphis, Tennessee 38103
Phone 901/525-4343

one of THE ST PAUL COMPANIES

TRUST DEED

FROM

RICHARD D. CHANDLER, JR. AND

MARSHA G. CHANDLER

TO

MATTIE LITTLE

Trustee

FOR THE USE OF

SMITH & NEPHEW EMPLOYEES CREDIT UNION

STATE OF MISSISSIPPI

County of _____

I, _____ Clerk

of the Chancery Court and ex-officio Recorder for the County and State aforesaid, do hereby certify that the within instrument of writing was filed for record in my

office on the _____ day of _____

A. D. 19____ at _____ o'clock _____ M., and has been

this day duly recorded in Trust Deed Record _____

Page _____

WITNESS my hand and official seal, this

_____ day of _____ 19____

Clerk.

TITLE INSURANCE is the only guaranteed protection against real estate title losses.

EXHIBIT "A"

1.01 acre in Southeast Quarter of Section 15, Township 3 South, Range 9 West in DeSoto County, Mississippi: Beginning at a point located 340 feet South of the Southeast Quarter of Section 15, Township 3 South, Range 9 West and in Baldwin Road said point being the point of beginning; thence South 88 degrees 59 minutes, 27 seconds West 210 feet to a point; thence South 1 degree, 17 minutes 40 seconds West 210 feet to a point; thence North 88 degrees 59 minutes, 27 seconds East 210 feet to a point in Baldwin Road; thence North 1 degree, 17 minutes, 40 seconds East 210 feet along Baldwin Road to the point of beginning, parcel containing 1.01 acres.